

Message Text

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PAGE 01 KUALA 02423 01 OF 02 240856Z
ACTION STR-07

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TO SECSTATE WASHDC PRIORITY 3089
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UNCLAS SECTION 1 OF 2 KUALA LUMPUR 2423

USMTN PASS GRAEF

STR FOR LANDE

E.O.11652: N/A
TAGS: MTN, MY
SUBJECT: MALAYSIAN AIDE MEMOIRE ON CUBED PINEAPPLE

GOM HAS JUST PROVIDED US WITH AN AIDE MEMOIRE ON THE SUBJECT
OF CANNED PINEAPPLE. WE PLAN TO COMMENT ON THIS MESSAGE IN
SEPTEL. TEXT OF AIDE MEMOIRE IS AS FOLLOWS:
QUOTE: IMPLICATIONS OF THE FOOD AND DRUG ADMINISTRATION (FDA)
REGULATIONS ON MALAYSIAN CANNED PINEAPPLE EXPORTS TO THE
UNITED STATES OF AMERICA.

I. INTRODUCTION

THE PURPOSE OF THIS PAPER IS TO DRAW THE ATTENTION OF THE
UNITED STATES ADMINISTRATION OF THE ADVERSE IMPLICATIONS OF
THE FOOD AND DRUG ADMINISTRATION REGULATIONS ON THE EXPORT
OF MALAYSIAN CANNED PINEAPPLE INTO THE UNITED STATES OF
AMERICA AND TO REQUEST THE U.S. GOVERNMENT TO TAKE THE
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PAGE 02 KUALA 02423 01 OF 02 240856Z

APPROPRIATE MEASURES IN ORDER TO ALLOW THE ENTRY
INTO THE U.S. MARKET OF TWO FORMS OF MALAYSIAN
CANNED PINEAPPLE, NAMELY CUBES AND SPRIAL SLICES.
THE GOVERNMENT OF MALAYSIA WOULD SPECIFICALLY
LIKE TO PURSUE THIS MATTER BECAUSE OF THE
NEGATIVE RESPONSE OF THE U.S. GOVERNMENT IN THIS
AREA IN THE TROPICAL PRODUCTS' GROUP OF THE

ONGOING GATT MULTILATERAL TRADE NEGOTIATIONS.

2. AS THE FOOD AND DRUG ADMINISTRATION REGULATIONS PRESENTLY STAND, MALAYSIA CANNOT EXPORT HER "CUBE" AND "SPIRAL SLICES" CANNED PINEAPPLE TO U.S.A. FOR THEY DO NOT CONFORM TO THE SPECIFICATIONS OF THE FOOD AND DRUG REGULATIONS. THE CUTS BEING PERMITTED INTO THE U.S.A. TODAY ARE SLICES, CHUNKS, CRUSHED AND TIDBITS.

II. PROBLEMS RELATING TO EXPORT OF MALAYSIAN CANNED PINEAPPLE TO THE UNITED STATES OF AMERICA

(A) THE CASE FOR "CUBES"

3. MALAYSIA IS THE WORLD'S LARGEST PRODUCER OF CUBE PINEAPPLE AND A LARGE PROPORTION OF ITS EXPORTS TO THE UNITED KINGDOM, WEST GERMANY, CANADA AND OTHER MARKETS TAKE THIS FORM. IT DOES NOT FACE ANY SUCH IMPORT RESTRICTION IN OTHER IMPORTING COUNTRIES.

4. THE FOOD AND DRUG ADMINISTRATION OF THE U.S. DEPARTMENT OF HEALTH, EDUCATIO AND WELFARE HAS DEFINED CUBE PINEAPPLE AS "DICED: CONSISTING OF CUBE SHAPED PIECES CUT FROM SLICES OR FROM UNCLASSIFIED

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PAGE 03 KUALA 02423 01 OF 02 240856Z

PEELED CORED FRUIT." EXCEPT FOR AN OCCASSIONAL UNIT, THE LARGEST DIMENSION (ALONG ANY EDGE) OF EACH UNIT IS NOT GREATER THAN 9/16 OF AN INCH.

5. THE CUBES AS EXPORTED BY MALAYSIA MEASURE MORE THAN 3/4 INCH IN LENGTH ALONG EACH EDGE. IT IS ON THIS TECHNICALITY OF SIZE THAT MALAYSIAN CUBE PINEAPPLE HAVE NOT BEEN ALLOWED ENTRY INTO THE U.S. UNDER TO FOOD AND DRUG ADMINISTRATION REGULATIONS.

(B) THE CASE FOR SPIRAL SLICES

6. THE U.S.A. FOOD AND DRUG REGULATIONS DEINED SLICES AS "CONSISTING OF WHOLE CIRCULAR SLICES CUT ACROSS THE XIS OF THE PEELED, CORAL FRUIT CYLINDERS." THIS EFFECTIVELY PREVENTS THE IMPORTATION OF SPIRAL SLICES DUE TO THE NATURE OF ITS CUT, I.E. SPECIFICALLY THE SPIRAL SLICE IS NOT A WHOLE CIRCULAR SLICE.

III. MARKET TREND AND POTENTIAL IN U.S.A.

7. MALAYSIA'S EXPORTS OF CANNED PINEAPPLE INTO THE U.S. AM
MARKET BEGAN IN 1958. SINCE THEN, THE MARKET HAS
EXPANDED AND REACHED A PEAK IN 1968 WHEN ABOUT 815,000
STANDARD CASES WERE EXPORTED. THIS REPRESENTED
SOME 25 PERCENT OF MALAYSIA'S TOTAL EXPORT OF CANNED
PINEAPPLE IN THAT YEAR. HOWEVER AFTER 1968
MALAYSIA'S EXPORTS TO U.S.A. DECLINED, ESPECIALLY
IN 1973 AND 1974, WHEN HER EXPORTS DROPPED
DRASTICALLY TO 343,065 STANDARD CASES AND 371,021
STANDARD CASES RESPECTIVELY. EVEN THOUGH MALAYSIA'S
EXPORTS TO U.S. A. INCREASED SLIGHTLY IN 1975 AND
1976 TO 404,061 STANDARD CASES AND 520,000
STANDARD CASES RESPECTIVELY, THE EXPORT FIGURES
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PAGE 04 KUALA 02423 01 OF 02 240856Z

FOR 1977 AGAIN SHOWED A DECLINING TREND I.E. A
DROP TO 435,072 STANDARD CASES. SINCE THE UNITED
STATES REMAINS AN IMPORTANT MARKET FOR MALAYSIAN
CANNED PINEAPPLE, IT IS IMPORTANT TO MAINTAIN
THIS MARKET FOR THE LONG-TERM VIABILITY OF THE
MALAYSIAN PINEAPPLE INDUSTRY.

8. MALAYSIA HAS REASON TO BELIEVE THAT IF CANNED
PINEAPPLE CUBES IS PERMITTED ENTRY, IT WILL ENJOY
POPULARITY AMONG U.S. CONSUMERS. IN VIEW OF THE
DOMINANT POSITION ENJOYED BY MALAYSIA IN THE EXPORT
OF THIS PARTICULAR PACK IN THE WORLD MARKET, IT
CAN BE VIEWED THAT PRESENTLY, CONSUMERS ARE DENIED
THIS PARTICULAR PRODUCT PACK BY THE EXISTENCE OF
AN UNNECESSARY REGULATION. AS FOR SPIRAL SLICE, THE
THE GOVERNMENT OF MALAYSIA CONSIDERS THAT IF
THE MALAYSIAN PINEAPPLE INDUSTRY IS ALLOW TO
EXPORTS THESE TO THE U.S.A. MARKET, THIS
DEVELOPMENT WILL POSITIVELY IMPROVE THE
VIABILITY OF THE MALAYSIAN PINEAPPLE INDUSTRY .
THIS PACK INVOLVED LABOUR INTENSIVE PROCESSING
AND VERY FEW COUNTRIES WILL BE ABLE TO PROCESS
THIS POPULAR PACK IN COMMERCIAL QUANTITIES. SPIRAL
SLICES ARE GENERALLY CONSIDERED A MORE DECORATIVE
CUT WHICH THE U.S. CONSUMERS WOULD READILY WELCOME.
THE POPULARITY OF THIS CUT IS SHOWN BY THE FACT
THAT THIS PACK IS IN GREATER DEMAND IN OTHER
COUNTRIES THAN ROUND-CUT SLICES. THE FAVOURABLE
CONSIDERATION OF THIS REQUEST BY THE U.S.
GOVERNMENT TO ALLOW THE IMPORTATION OF CUBES OF
MORE THAN 9/16 OF AN INCH AND SPIRAL SLICES IS
THEREFORE A MATTER OF MUCH SIGNIFICANCE TO THE
MALAYSIAN PINEAPPLE INDUSTRY.
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PAGE 05 KUALA 02423 01 OF 02 240856Z

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PAGE 01 KUALA 02423 02 OF 02 240838Z

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TO SECSTATE WASHDC PRIORITY 3090

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UNCLAS SECTION 2 OF 2 KUALA LUMPUR 2423

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9. THE GOVERNMENT OF MALAYSIA FULLY APPRECIATES ANY MOVE BY THE U.S. ADMINISTRATION TO PROTECT THE HEALTH OF U.S. CONSUMERS. HHOWEVER, IN THE CASE OF PINEAPPLE, THE GOVERNMENT OF MALAYSIA CONSIDERS THE REGULATION BASED ON TECHNICALITY OF SIZE AND SPIRAL DEFINITION AS UNNECESSARY BARRIERS. MALAYSIA BELIEVES THAT THE HYGIENE OF THE CONTENT AND NOT THE NATURE OF THE CUT SHOULD BE THE BASIS FOR HEALTH REGUALTIONS. MALAYSIA IS WILLING TO CONFORM TO THE NORMAL HEALTH AND HYGIENIC STANDARDS IMPOSED ON ITS CANNED PINEAPPLE.

10. THE PINEAPPLE INDUSTRY PLAYS A CRUCIAL ROLE IN THE GOVERNMENT'S OVERTY ERADICATION PROGRAMME. THE DEVELOPMENT OF PINEAPPLE INDUSTRY IN MALAYSIA TAKES INTO ACCOUNT THE NATURAL ENDOWNMENT OF

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PAGE 02 KUALA 02423 02 OF 02 240838Z

LOCALITIES SUCH AS THE PEAT SOIL WHICH EXCLUDES THE CULTIVATION OF OTHER COMMERCIALY VIABLE CROPS, AND ALSO THE MARKET DEMAND WHICH RESULTED IN THE PRESENT PRODUCTION TECHNIQUES AND PRODUCT SPECIFICATIONS. THE PINEAPPLE CANNING INDUSTRY HAS BEEN ESTABLISHED IN MALAYSIA FOR ALMOST THIRTY YEARS. THIS AGRO-BASED INDUSTRY HAS BEEN THE LIVELIHOOD FOR AS MANY AS 10,000 FAMILIES IN THE PEAT SOIL REGION OF MALAYSIA WHERE PRESENTLY DIVERSIFICATION EFFORTS INTO OTHER CROPS HAVE NOT BEEN SATISFACTORY.

V. REQUEST

11. IN VIEW OF THE RESTRICTIONS POSED BY THE FOOD AND DRUG ADMINISTRATION REGULATIONS WHICH PREVENTS CERTAIN CUTS OF MALAYSIAN CANNED PINEAPPLE FROM BEING EXPORTED TO THE U.S.A. WITH RESULTING PROBLEMS TO THE MALAYSIAN PINEAPPLE INDUSTRY AND ECONOMY, MALAYSIA URGES THE U.S. ADMINISTRATION TO EXAMINE THE PROBLEMS SET OUT ABOVE WITH A VIEW TO RESOLVING THEM EXPEDITIOUSLY. IN THIS RESPECT, MALAYSIA SPECIFICALLY REQUESTS THAT THE U.S. ADMINISTRATION ALLOWS THE ENTRY OF CUBES AND SPIRAL SLICES CUTS OF MALAYSIAN CANNED PINEAPPLE INTO U.S.A. UNQUOTE.
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